

ANNUAL REPORT ON SMALL WIND INNOVATION ZONES

First Report to the Iowa General Assembly

December 2009

Iowa Utilities Board

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I. Introduction

In its 2009 session, the General Assembly enacted House File 810 (HF 810), the Small Wind Innovation Zone Bill. Subsection 6 of that bill requires the Utilities Board (Board) to prepare an annual report summarizing: a) the number of applications received from political subdivisions seeking to be designated as small wind innovation zones; b) the number of applications granted; and c) the number of small wind energy systems generating electricity within each small wind innovation zone, and the amount of wind energy produced.

Specifically, subsection 6 of HF 810 states:

6. REPORTING REQUIREMENTS. The division shall prepare a report summarizing the number of applications received from political subdivisions seeking to be designated a small wind innovation zone, the number of applications granted, the number of small wind energy systems generating electricity within each small wind innovation zone, and the amount of wind energy produced, and shall submit the report to the members of the general assembly by January 1 annually.

HF 810 requires the Board to establish and administer a small wind innovation zone program, with the purpose of the program "to facilitate and expedite interconnection of small wind energy systems with electric utilities" within areas that are designated as small wind innovation zones. The Board has initiated a rule making proceeding to initiate this program, identified as Docket No. RMU-2009-0010.

To be designated as a "small wind innovation zone," an area must be:

....a political subdivision of this state, including but not limited to a city, county, township, school district, community college, area education agency, institution under the control of the state board of regents, or any other local commission, association, or tribal council which adopts, or is encompassed within a local government which adopts, the **model ordinance**.... (Iowa Code § 476.48(1)(c), emphasis added).

The Model Ordinance is to be jointly developed by the Iowa League of Cities, the Iowa State Association of Counties, the Iowa Environmental Council, the Iowa Wind Energy Association, and representatives from the utility industry (and made available on the Web sites of the Iowa League of Cities and Iowa State Association of Counties). The model ordinance is currently in the process of being developed by these organizations.

In addition to adopting the model ordinance, an area seeking to be designated as a small wind innovation zone must be served by an electric utility that has agreed to utilize a model interconnection agreement. That model interconnection agreement is currently being developed in a separate Board rule making proceeding, identified as Docket No. RMU-2009-0008.

II. Annual Report

No applications were received in 2009, from any political subdivisions seeking to be designated as small wind innovation zones because the Model Ordinance and related IUB rules are still in the process of development.

In the Board's current rule making docket on Small Wind Innovation Zones (Docket No. RMU-2009-0010), proposed subrule 199 IAC 15.22(4) requires utilities that serve small wind innovation zones to annually report the energy produced by small wind energy systems in each zone for the previous calendar year. The first of these utility reports will be due April 1, 2010, which will be for calendar 2009. The Board will include this information in its second annual report to the General Assembly, which will be due before the end of 2010. Going forward, this means the Board's third annual report, due before the end of 2011, will be for calendar 2010, and so on.